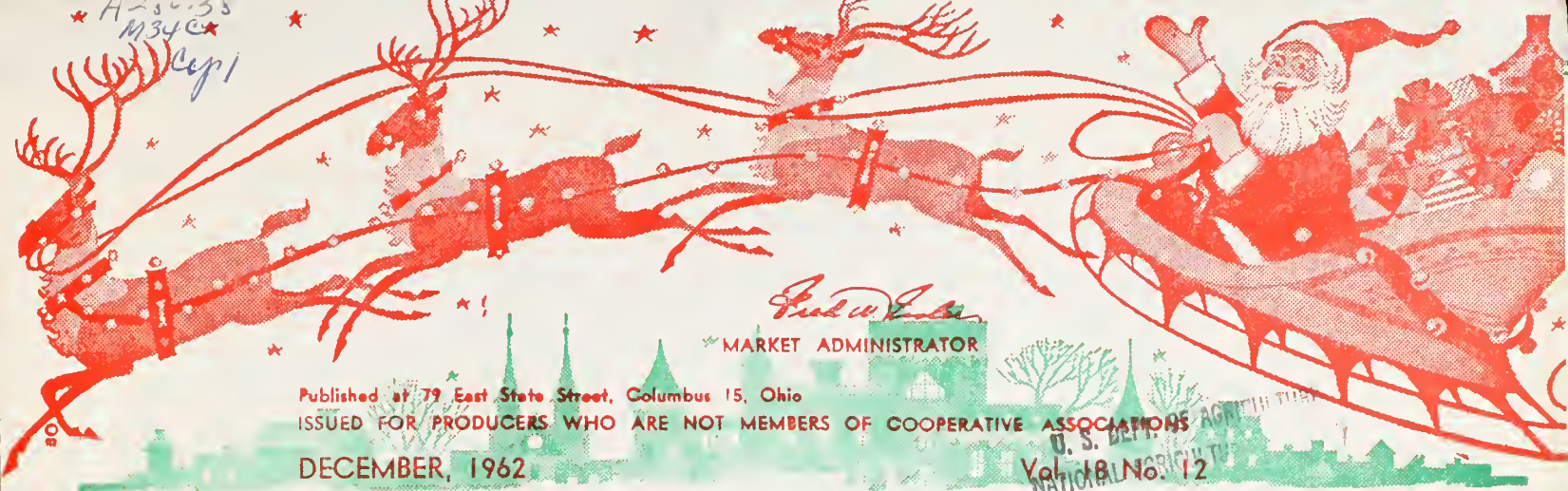


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## Milk Production Up In 1962, Further Increases Expected In 1963

The Dairy Situation, Economic Research Service USDA, November 1962

The present upturn in production began in 1959. The upward swing was moderate in 1960, but in 1961 milk production increased more sharply. In 1962 a projected large increase was checked by adverse weather conditions over a large part of the country, which resulted in an actual decline in production below a year earlier during June, July, and August. However, after the end of dry weather, September production moved upward again to 9,683 million pounds, 0.6 percent above 1961, and the probability is that production during the rest of 1962 will exceed 1961 figures. As a result, 1962 milk production may be about 126.5 billion pounds compared with 125.5 in 1961.

The peak of this present upward movement apparently has not yet been reached. The decline in the number of milk cows in 1962 from 1961 appears to be moderate in spite of weather conditions which adversely affected pasture and which left hay and forage supplies in the Northeast and South sharply below a year ago.

The number of milk cows averaged 20.6 million annually in the period 1950-59 and was down to 17.4 million in 1961. By June 1962 the number was 17.3 million, a decline of 125,000 from June 1961 compared with an average annual decline of about 400,000 for 1950-59. Even with heavier culling this fall and early in 1963, the average number of milk cows in 1963 may be in the neighborhood of 17 million.

With 17 million cows and a moderate increase in annual production per cow of 150 pounds, milk production in 1963 would exceed 127 billion pounds. If the rate of gain should return to the 200 pounds per cow of the last 10 years, production would climb to nearly 128 billion pounds of milk. These data indicate that milk production in 1963 may be around 127.5 billion pounds and could go higher.

In 1962, weather played a dominant role in establishing the level of milk production and may do so in 1963. Dry weather prevented gains in milk

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# Christmas Greetings







*Columbus*

## MARKET FACTS FOR EASY REFERENCE

### PRICE SUMMARY

|                                                                  |  |
|------------------------------------------------------------------|--|
| Producers' Uniform Price (3.5%) .....                            |  |
| Producers' Uniform Price (4%) .....                              |  |
| Class I (3.5%) .....                                             |  |
| Class II (3.5%) .....                                            |  |
| Class III (3.5%) .....                                           |  |
| Class IV (3.5%) .....                                            |  |
| Producer Butterfat Differential for each one-tenth percent ..... |  |

| Nov.<br>1962 | Oct.<br>1962 | Nov.<br>1961 |
|--------------|--------------|--------------|
| \$4.50       | \$4.50       | \$4.77       |
| 4.86         | 4.86         | 5.15         |
| 4.28         | 4.27         | 4.505        |
| 3.861        | 3.872        | 4.105        |
| 3.665        | 3.637        | 3.876        |
| 3.039        | 3.011        | 3.250        |
| 7.2¢         | 7.2¢         | 7.6¢         |

### UTILIZATION SUMMARY

|                                                  |  |
|--------------------------------------------------|--|
| Percent of Producer Milk in Class I .....        |  |
| Percent of Producer Butterfat in Class I .....   |  |
| Percent of Producer Milk in Class II .....       |  |
| Percent of Producer Butterfat in Class II .....  |  |
| Percent of Producer Milk in Class III .....      |  |
| Percent of Producer Butterfat in Class III ..... |  |
| Percent of Producer Milk in Class IV .....       |  |
| Percent of Producer Butterfat in Class IV .....  |  |

|      |      |      |
|------|------|------|
| 78.4 | 79.3 | 82.2 |
| 73.9 | 75.5 | 77.7 |
| 6.4  | 7.1  | 6.7  |
| 2.4  | 2.1  | 2.6  |
| 2.4  | 3.2  | 2.2  |
| 3.2  | 4.3  | 3.0  |
| 12.8 | 10.4 | 8.9  |
| 20.5 | 18.1 | 16.7 |

### PRODUCTION SUMMARY

|                                               |  |
|-----------------------------------------------|--|
| Total Pounds of Producer Milk Delivered ..... |  |
| Average Daily Class I Producer Milk .....     |  |
| Total Number of Producers .....               |  |
| Average Daily Production per Producer .....   |  |
| Average Butterfat Test .....                  |  |
| Total Value of Producers Milk at Test .....   |  |
| Income per Producer (7 day average) .....     |  |

|                |                |                |
|----------------|----------------|----------------|
| 34,279,707     | 35,113,477     | 29,409,401     |
| 895,918        | 898,502        | 805,505        |
| 1,336          | 1,338*         | 1,312          |
| 855            | 846*           | 747            |
| 3.89           | 3.74           | 3.91           |
| \$1,488,225.96 | \$1,490,186.72 | \$1,366,232.18 |
| \$259.92       | \$251.49*      | \$242.98       |

### GROSS CLASS USE (Pounds)

|                          |  |
|--------------------------|--|
| Class I Skim .....       |  |
| Class I Butterfat .....  |  |
| Class I Milk .....       |  |
| Class II Skim .....      |  |
| Class II Butterfat ..... |  |
| Class II Milk .....      |  |

|            |            |            |
|------------|------------|------------|
| 25,892,459 | 26,863,963 | 23,277,100 |
| 985,072    | 989,586    | 24,170,665 |
| 26,877,531 | 27,853,549 | 893,565    |
| 2,228,943  | 2,487,394  | 2,066,019  |
| 31,774     | 28,135     | 30,132     |
| 2,260,717  | 2,515,529  | 2,096,151  |

### AVERAGE DAILY SALES (Quarts)

|                  |  |
|------------------|--|
| Milk .....       |  |
| Buttermilk ..... |  |
| Chocolate .....  |  |
| Skim .....       |  |
| Cream .....      |  |

|         |         |         |
|---------|---------|---------|
| 312,830 | 312,673 | 307,166 |
| 4,237   | 4,591   | 4,421   |
| 17,265  | 18,950  | 17,165  |
| 11,747  | 11,589  | 11,359  |
| 9,391   | 8,245   | 9,091   |

\* These Figures are changed due to error in computation.

COMPARATIVE STATISTICS

COLUMBUS MARKETING AREA

Nov., 1953 - '62

| Year      | Receipts from Producers | Average Butter-fat Test | Percentage of Producer Milk in Each Class |          |           |          | Uniform Producer Price (3.5%) | Class prices at 3.5% |          |           |          | Number of Producers | Daily Average Production |
|-----------|-------------------------|-------------------------|-------------------------------------------|----------|-----------|----------|-------------------------------|----------------------|----------|-----------|----------|---------------------|--------------------------|
|           |                         |                         | Class I                                   | Class II | Class III | Class IV |                               | Class I              | Class II | Class III | Class IV |                     |                          |
| 1953..... | 20,170,821              | 4.12                    | 81.8                                      | 13.3     | 4.9       | —        | 4.58                          | 4.71                 | 4.31     | 3.49      | —        | 2,241               | 300                      |
| 1954..... | 21,133,079              | 4.05                    | 81.9                                      | 8.2      | 4.5       | 5.4      | 4.15                          | 4.31                 | 3.91     | 3.91      | 3.23     | 2,171               | 324                      |
| 1955..... | 22,266,699              | 3.99                    | 81.2                                      | 9.1      | 3.9       | 5.8      | 4.12                          | 4.257                | 3.857    | 3.857     | 3.168    | 2,106               | 352                      |
| 1956..... | 23,100,784              | 3.90                    | 83.6                                      | 8.8      | 3.6       | 4.0      | 4.40                          | 4.537                | 4.137    | 4.137     | 3.321    | 1,998               | 385                      |
| 1957..... | 23,847,569              | 3.92                    | 85.3                                      | 7.8      | 2.9       | 4.0      | 4.37                          | 4.504                | 4.104    | 4.004     | 3.081    | 1,882               | 422                      |
| 1958..... | 23,091,764              | 3.89                    | 88.1                                      | 7.9      | 1.3       | 2.7      | 4.37                          | 4.434                | 4.034    | 3.934     | 2.887    | 1,729               | 445                      |
| 1959..... | 25,350,698              | 4.00                    | 90.6                                      | 6.6      | 1.3       | 1.5      | 5.11                          | 4.696                | 4.296    | 3.927     | 3.228    | 1,693               | 499                      |
| 1960..... | 27,083,211              | 3.94                    | 85.9                                      | 6.7      | 1.5       | 5.9      | 4.94                          | 4.611                | 4.211    | 4.004     | 3.135    | 1,566               | 577                      |
| 1961..... | 29,409,401              | 3.91                    | 82.2                                      | 6.7      | 2.2       | 8.9      | 4.77                          | 4.505                | 4.105    | 3.876     | 3.250    | 1,312               | 747                      |
| 1962..... | 34,279,707              | 3.89                    | 78.4                                      | 6.4      | 2.4       | 12.8     | 4.50                          | 4.28                 | 3.861    | 3.665     | 3.039    | 1,336               | 855                      |

## Milk Production Per Cow Appears Likely To Increase

The Dairy Situation, Economic Research Service USDA, September 1962

During the 1920's, and until the mid-1930's, annual milk production per cow was fairly constant, ranging between about 4,100 and 4,600 pounds per cow. In the latter 1930's production per cow began to move upward and held at a new plateau of about 4,700 pounds per cow until the end of World War II. But since 1945, production per cow has gained each year. The average annual gain from the latter part of the period from 1956 to 1961 is substantially higher than the average gain from 1946 to 1951, 228 pounds as compared with 91 pounds. Dairy Herd Improvement Association records also show an increasing rate of gain in the produc-

tion level of milk cows. From 1950 to 1961, DHIA cows averaged an annual production gain of 157 pounds of milk, compared with 109 pounds from 1940 to 1950 and 49 pounds from 1930 to 1940. This accelerating rate of gain suggests that large gains in production per cow probably will continue during the next few years. Under such circumstances, milk production would increase substantially unless cow numbers fall faster than they have for the last few years.

The national gains in production per cow have been well above those attributable to improved productive capacity of milk cows and better

management practices, as shown by DHIA records. This additional gain probably has been the result of the slaughter of large numbers of less productive milk cows as the number of farms producing milk has fallen. From 1954 to 1959, the number of farms with milk cows fell about 38 percent, and the downward trend appears to be continuing. Between 1954 and 1959 over 1 million farmers producing milk switched to other farm enterprises or took off-farm employment because milk returns dropped in relation to returns from other opportunities. About 3.7 million fewer cows were milked in 1959 than in 1954.

## Milk Prices Received by Farmers Declined in '62; May Be Slightly Lower In 1963

The Dairy Situation, Economic Research Service USDA, November 1962

Prices farmers received for all wholesale milk approximated a normal seasonal pattern following the April 1 fall in the support level and are rising about seasonally during November and December. For the entire year 1962 the average price received by farmers will be about \$4.10 per hundred pounds of milk compared with \$4.22 in 1961. The decline was caused primarily by the April drop in price support levels from \$3.40 to \$3.11 per hundred pounds. The average price for January-October this year was \$4.06 per hundred pounds compared with \$4.18 in 1961. Thus, this year's aver-

age price is running only 12 cents below 1961 compared with the 29 cent drop in the price support level. This reflects the \$3.40 support level in the first quarter of 1962 and the fact that in city markets the price of milk used for fresh fluid products fell less than the price of milk used for manufactured dairy products. For January-March 1962 the average price received by farmers per hundred pounds of milk was \$4.28 compared with \$4.31 in the first quarter of 1961, while for April-October 1962 the average was \$3.97 compared with \$4.12 a year earlier.

Prices paid by dealers for milk

used in bottling (Class I milk) during the first three months of 1962 averaged \$5.47 per hundred pounds, compared with \$5.54 for the same period a year earlier. The 1962 price for April-October averaged \$5.30 compared with \$5.34 in 1961, giving an average decline of only 5 cents per hundred pounds for the 10 months. However, for the entire year, the average price for the country is likely to be the lowest since 1956. The decline below 1961 reflects heavy supplies of Grade A milk in most markets, and, in many markets, the decline below a year earlier in the price of manufacturing milk,



## MILK PRODUCTION UP . . .

(Continued from Front Page)

production in Southern States during the spring and summer months, and in the early fall extended up to about Missouri. Severe drought also plagued dairy farmers in the Northeastern States, extending westward through Pennsylvania and Ohio. Pasture conditions in the Northeast were the poorest on record in late summer. The adverse pasture conditions in the South were a factor leading to the declining rate of increase over 1961 in the late spring months of this year, and the increasingly poor pastures in the Northeast contributed more and more to the decline through July. Rains in July and August improved pasture conditions, and on October 1 pasture conditions were about 5 points above the 1951-60 average for the date but 3 points below a year earlier. Normal or above normal pasture conditions this fall may play an important part toward raising milk production above last year's levels during the rest of the year. Since hay and forage supplies are below normal in the Northeast and South, weather will be an important determinant of next year's milk production in these areas.

## 1962 SHOWS DECLINE IN CONSUMPTION OF MILKFAT

The Dairy Situation, Economic Research Service  
USDA, August 1962

In 1962, with consumer income rising and retail prices practically unchanged from 1961, the dairy industry is facing a continuing decline in the total consumption of milkfat, while its production has increased. Total consumption of solids-not-fat has increased yearly since 1949, but the rate of increase has lessened since 1959, and in 1962 total consumption may actually fall. These declines reflect the inability of population growth to offset declining consumption per person.



*The Market Administrator  
and his Staff  
Wish You A Happy  
Holiday Season*

## Market Quotations

NOVEMBER  
1962

|                                                                                                              |        |
|--------------------------------------------------------------------------------------------------------------|--------|
| MINNESOTA - WISCONSIN PRICE SERIES .....                                                                     | \$3.10 |
| MIDWEST CONDENSERIES 3.5% per Cwt. ....                                                                      | 3.014  |
| 4 CONDENSERIES (Tri-State) 3.5% per Cwt. ....                                                                | 2.800  |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) .....                                                | 3.089  |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-State) .....                                               | 2.987  |
| Average Weekly Cheddars price per lb. ....                                                                   | .3450  |
| Average price per lb. 92-score butter at Chicago .....                                                       | .5799  |
| Average carlot prices non-fat dry milk solids,<br>roller and spray process, f.o.b. manufacturing plant ..... | .1376  |



THE

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*Administrators*

**BULLETIN**



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